AMENDMENTS

In the claims:

1. (**Currently amended**) A method of encapsulating a bioactive complex in a liposome which comprises the steps of:

(a) dissolving at least one amphipathic lipid in one or more organic solvents;

(b) combining a first aqueous suspension comprising a bioactive agent with the lipid containing organic solution of step (a) so as to form an emulsion comprising the bioactive agent and the lipid;

(c) adding a second aqueous suspension comprising a complexing agent to the emulsion of step (b), wherein the complexing agent is a polycation;

(d) incubating the emulsion of step (c) to allow the complexing agent to contact the bioactive agent thereby forming a complex of the bioactive agent with the complexing agent within the lipid stabilized water droplets, wherein said complex is no greater in diameter that the diameter of the droplets; and

(e) removing the organic solvent from the suspension of step (d), so as to form ~~unilamellar~~ liposomes comprising the complexed bioactive agent and the lipid, wherein the liposomes have number average sizes of about 50 to 300 nm, and wherein the liposomes encapsulate the complexed bioactive agent.

2. (**Currently amended**) A method of encapsulating a bioactive complex in a liposome which comprises the steps of:

(a) dissolving at least one amphipathic lipid in one or more organic solvents;

(b) combining a first aqueous suspension comprising a complexing agent with the lipid containing organic solution of step (a) so as to form an emulsion comprising the complexing agent and the lipid, wherein the complexing agent is a polycation;

(c) adding a second aqueous suspension comprising a bioactive agent to the emulsion of step (b);

(d) incubating the emulsion of step (c) to allow the complexing agent to contact the bioactive agent thereby forming a complex of the bioactive agent with the complexing agent within

the lipid stabilized water droplets, wherein said complex is no greater in diameter than the diameter of the droplet; and

(e) removing the organic solvent from the suspension of step (d), so as to form ~~unilamellar~~ liposomes comprising the complexed bioactive agent and the lipid, wherein the liposomes have number average sizes of about 50 to 300 nm, and wherein the liposomes encapsulate the complexed bioactive agent.

3. **(Previously presented)** The method of claim 1 or 2, wherein the bioactive agent is a nucleic acid.

4. **(Previously presented)** The method of claim 3, wherein the nucleic acid is DNA.

5. **(Previously presented)** The method of claim 1 or 2, wherein the complexing agent is selected from the group consisting of polylysine, a polyamine, hexammine cobalt, polyhistidine, and polyethyleneimine.

6. **(Previously presented)** The method of claim 5, wherein the polyamine is selected from the group consisting of spermine and spermidine.

7. **(Previously presented)** The method of claim 6, wherein the polyamine is spermine.

8. **(New)** The method of claim 3, wherein the complexed bioactive agent is the nucleic acid condensed with the polycation.